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FEDERAL COMMUNICATIONS CLAIMISSION
OFFICE OF THE SECRETARY

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

Oncome.

In the Matter of

Amendment of Rules Governing)
800 MHz Specialized Mobile)
Radio Service Systems to Permit)
the Licensing of Wide-Area)
Block Authorizations)

To: The Commission

COMMENTS OF FLEET CALL, INC.

FLEET CALL, INC.

RM - 8117

Robert S. Foosaner Lawrence R. Krevor 601 Thirteenth Street, N.W. Suite 1110 South Washington, D.C. 20005 (202) 628-8111

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SUMMARY

Fleet Call, Inc. ("Fleet Call") enthusiastically endorses the Petition for Rulemaking (the "Petition") of the American Mobile Telecommunications Association ("AMTA") proposing block licensing for advanced technology wide-area Specialized Mobile Radio ("SMR") systems. The Petition proposes a foundation for a comprehensive rule making to facilitate the continued development of spectrally efficient digital SMR systems offering increased customer capacity, improved service quality and new offerings and service enhancements to the public.

Fleet Call commends AMTA for its diligent efforts to encourage participation by all interested SMR operators in a seamless nationwide advanced SMR infrastructure. The proposal balances diverse SMR interests while offering a regulatory framework that can promote, accelerate and facilitate the ongoing evolution toward wide-area, regional and national SMR service capabilities. The need for a revised regulatory framework in which entrepreneurs can implement such systems is well established. The Commission recently expressed its intention to examine wide-area licensing of 800 MHz SMR systems in a rule making. Fleet Call encourages it to act expeditiously in commencing this proceeding.

AMTA would award existing licensees in MSA/RSA markets a block license for their constructed frequencies permitting reuse of those frequencies throughout the market -- subject to maintaining required protection for existing co-channel systems. This would

provide block licensees broad flexibility to create wide-area systems while imposing minimal administrative overhead on the Commission.

AMTA would require block licensees to use advanced technology at least twice as efficient as state-of-the-art analog SMR systems, exclusive of frequency reuse. It would not require them to be digital systems. Fleet Call believes that this would be a mistake. First, advanced SMR providers are already inclined toward digital technology six times more efficient than analog. Second, a mere doubling of existing efficiency is insufficient for awarding a block license for entire MSA/RSA licensing areas. Third, the Commission has already endorsed the efficiencies of digital technology in its Personal Communications Services and Emerging Technologies Proceedings.

Fleet Call's experience as the first enhanced SMR provider, and as a member of the Digital Mobile Network Roaming Consortium, convinces it that the Commission should require block licensees to implement advanced digital technologies at least six times as efficient as today's analog SMR systems. This would assure that those obtaining wide-area spectrum rights efficiently use that spectrum to provide valuable services to the public.

Fleet Call also supports AMTA's proposal for creating up to two new block licenses in markets with more than 42 unassigned channels. The public interest would be best served, however, by granting such licenses through competitive bidding rather than lottery selection procedures. Fleet Call encourages the Commission to seek the requisite legislative authority.

Finally, a wide-area SMR rule making should include not only AMTA's block licensing proposal, but consideration of extended implementation periods for advanced SMR systems, procedures for consolidating MSA/RSA markets and for expanding block licenses, elimination of station identification requirements, and revisions of any other rules that may hinder or impede implementation of advanced digital wide-area SMR systems.

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COMMENTS OF FLEET CALL, INC.

I. INTRODUCTION

Fleet Call, Inc. ("Fleet Call"), pursuant to Section 1.405 of the Federal Communications Commission's (the "Commission") Rules and Regulations, respectfully files its Comments in response to the above-captioned Petition for Rulemaking (the "Petition") of the American Mobile Telecommunications Association, Inc. ("AMTA").

AMTA requests that the Commission initiate a rule making to establish licensing policies and procedures for technically advanced wide-area Specialized Mobile Radio ("SMR") systems. It proposes a block licensing scheme using as licensing areas the Metropolitan Statistical Areas ("MSAs") and Rural Service Areas ("RSAs") adopted by the Commission for licensing cellular radio telecommunications systems. 1/ Within these areas, each block licensee would be authorized to reuse its licensed, constructed frequencies at any location -- subject to the co-channel mileage

^{1/} AMTA's proposal relates only to 800 MHz SMR frequencies; it would not be applicable to 900 MHz SMR systems.

separations required to protect existing licensees both within and outside of the licensing area.

Fleet Call urges the Commission to expeditiously adopt a Notice of Proposed Rulemaking to establish a regulatory structure for implementing advanced wide-area SMR systems. AMTA's Petition offers a relatively simple and conceptually solid foundation for a regulatory framework that will facilitate creating wide-area SMR systems offering increased customer capacity, improved transmission quality and enlarged geographic coverage. Wide-area systems are essential to accommodate customers' increasing demand for seamless private land mobile communications networks. The Commission recently stated that it is expeditiously developing a comprehensive approach to wide-area licensing of 800 MHz SMR systems and AMTA's Petition offers an excellent basis for that rule making proceeding.2/

II. BACKGROUND

As a leading licensee of SMR systems, Fleet Call has extensive experience and substantial expertise in providing mobile communications services. Fleet Call and its subsidiaries provide mobile communications for approximately 140,000 mobile units on a daily basis on both 800 MHz and 900 MHz SMR systems. Fleet Call provides mobile communications services that help Americans do their jobs more efficiently and effectively.

Moreover, Fleet Call was the first SMR licensee to seek

^{2/} In the Matter of Policies and Rules for Licensing Fallow 800 MHz Specialized Mobile Radio Spectrum Through a Competitive Bidding Process, Order, DA 92-1677, released December 16, 1992.

Commission authority to implement advanced, highly-efficient widearea digital mobile communications systems. On February 13, 1991,
the Commission authorized Fleet Call to construct and operate 800
MHz Enhanced Specialized Mobile Radio ("ESMR") in Chicago, Dallas,
Houston, Los Angeles, New York and San Francisco. 3/ These systems
will incorporate innovative state-of-the-art technology, including
digital speech coding, Time Division Multiple Access ("TDMA")
transmission and frequency reuse to create in excess of 15 times
the customer capacity of existing SMR systems while providing
improved transmission quality and enhanced services. The first
ESMR system will be operational in Los Angeles in the summer of
1993 followed by San Francisco in early 1994. Fleet Call's ESMR
initiative is the basis for subsequent advanced or enhanced SMR
proposals.

The AMTA Petition is an outgrowth not only of these enhanced wide-area SMR initiatives, but also Fleet Call's recent Petition for Rulemaking asking the Commission to create "innovator blocks" of unassigned SMR spectrum and to license them via competitive bidding procedures.4/ Fleet Call proposed that the Commission assemble large blocks of fallow 800 MHz trunked SMR channels in MSA and RSA markets and license entrepreneurs to build advanced digital

^{3/} In Re Request of Fleet Call, Inc. for Waiver and Other Relief to Permit Creation of Enhanced Specialized Mobile Radio Systems in Six Markets, 6 FCC Rcd 1533 (1991) (the "Fleet Call Waiver Order"), recon. den. 6 FCC Rcd 6989 (1991).

^{4/} In the Matter of Policies and Rules for Licensing Fallow 800 MHz Specialized Mobile Radio Spectrum Through a Competitive Bidding Process, RM - 7985, filed April 22, 1992 (the "Innovator Block Petition").

systems at least six times more efficient than traditional analog SMR systems. Fleet Call proposed a block licensing scheme in which the Commission would grant exclusive use of a block of unassigned channels in defined MSAs and RSAs for advanced digital SMR systems. Fleet Call contemplated that through this mechanism both large and small SMRs could participate in accelerating development of a seamless nationwide digital SMR network.5/

Fleet Call's Innovator Block Petition focused the creative energies and entrepreneurial talents of the SMR industry on ways to facilitate and accelerate upgrading the SMR service to a modern state-of-the-art mobile communications medium. 6/ This is the decade of wireless communications networks. Cellular companies, mobile data network participants, paging systems and mobile satellite services are moving rapidly to develop nationwide

^{5/} Although the Commission has stated that it supports many of Fleet Call's objectives, it dismissed the Innovator Block Petition because it lacks explicit authority to use competitive bidding to license the proposed innovator blocks. It also stated that the need for a comprehensive approach to wide-area licensing has become more immediate and that it is expeditiously preparing a rule making proceeding. See DA 92-1677, supra n. 2.

^{6/} Many of the SMR industry comments filed on the Innovator Block Petition offered strong support for its goals. For example, AMTA stated that it shares Fleet Call's vision of a seamless, nationwide SMR network. Comments of AMTA on the Innovator Block Petition, at pp. 7-9. The National Association of Business and Educational Radio, Inc. ("NABER") praised Fleet Call's proposal as an "innovative" idea that would help the private radio industry introduce new advanced technologies. Comments of NABER on the Innovator Block Petition, at p. 3-4. The Commission has also recognized that the Innovator Block Petition commenters agree with Fleet Call that the current rules impede regional and national network licensing. See Order DA 92-1677, supra. AMTA's Petition is an expression of the further refinement and development of this support and the Commission may wish to refer to such comments in developing proposed rules herein.

seamless service offerings. At the same time, the Commission is considering a regulatory structure for Personal Communications Services ("PCS") potentially capable of linking different communications networks to offer ubiquitous wireless coverage. 7/

Given these realities, and the increasing marketplace demand for wide-area, regional and national private land mobile services, the Commission should move rapidly to enable SMR licensees to introduce improved technologies and develop ubiquitous service capabilities. Therefore, Fleet Call supports AMTA's proposal to establish block licensing procedures for technically advanced, spectrally-efficient wide-area SMR systems.

III. DISCUSSION

A. <u>AMTA's Proposal Is a Solid Foundation for a Comprehensive</u>
Rulemaking Establishing Policies, Rules and Procedures
for Advanced Digital Wide-Area SMR Systems

AMTA states that its proposal is designed to facilitate the ongoing evolution of SMR operators in establishing wide-area systems, encourage widespread SMR participation in such systems, promote implementation of advanced technologies, simplify Commission administration, licensing and regulatory oversight, and enable entrepreneurs to create systems responsive to actual commercial markets while maintaining regional competition.8/

The regulations that fostered the SMR industry's success in delivering valuable, high quality services to the public at low

^{7/} See In the Matter of Amendment of the Commission's Rules to Establish New Personal Communications Services, 7 FCC Rcd 5676 (1992) (the "PCS NPRM").

^{8/} Petition at pp. 4-5.

costs threaten to impede further evolution of SMR systems to meet the personal and mobile communications needs of the 21st century. 2/ The SMR rules were designed in the 1970s to promote rapid construction of urban five-channel analog systems and prevent "warehousing" in a then-newly developing industry. In smaller markets, however, they inhibit entrepreneurs' ability to obtain large enough amounts of vacant spectrum to attract the investment necessary to deploy advanced digital systems. 10/ The Commission has recognized that its rules make development of wide-area, regional and national SMR systems burdensome, time consuming, wasteful, and in some cases, impossible. 11/

The Commission's decision authorizing Fleet Call's ESMR systems in six markets recognizes that the public interest is served by permitting reconfiguration of heavily loaded analog SMR systems into digital, multiple base station systems offering improved quality and greatly increased capacity. 12/ More than 10

^{9/} Id. p. 3-4.

^{10/} Entrepreneurs must have sufficient spectrum capacity for future growth, and to link their systems with other high capacity advanced SMRs, if they are to risk the investment required to build digital SMR systems. See the Innovator Block Petition at pp. 17-20.

^{11/} See e.g., Amendment of Parts 2 and 90 of the Commission's Rules to Provide for the Use of 200 Channels Outside the Designated Filing Areas in the 896-901 MHz and 935-940 MHz Bands Allotted to the Specialized Mobile Radio Pool, 4 FCC Rcd 8673 (1989).

^{12/} The Commission has granted similar authority to Mobile Radio New England and Advanced Radio Communications Services of Florida, Inc. See Letter, dated April 13, 1992, from Richard J. Shiben, Chief Land Mobile and Microwave Division, to George Hertz, President Advanced MobileComm of New England, Inc.; Application of (continued...)

applications are pending before the Commission proposing variously-configured digital wide-area SMR systems. AMTA's proposal, therefore, is timely and the Commission should move as expeditiously as possible to adopt procedures and processes for establishing technically advanced wide-area SMR systems. 13/

B. <u>Block Licensing in MSA/RSA Areas with Less than 42</u> <u>Unassigned 800 MHz SMR Frequencies</u>

AMTA offers proposals based on the extent to which a particular MSA or RSA is already licensed. For markets with fewer than 42 unassigned SMR frequencies, 14/ it proposes a 30-day filing window during which licensees with in-market constructed SMR stations could apply for a block license for their licensed SMR frequencies. 15/ A block licensee would be authorized to construct

^{12/(...}continued)
Advanced Radio Communication Services of Florida, Inc. ("Advanced Radio") for Authority to Integrate Four Trunked Stations Into One System, filed July 15, 1991.

^{13/} The Commission should continue processing all pending ESMR and other advanced SMR applications under existing precedent. The public would be seriously disserved by delaying consideration of these pending applications until final rules can be implemented.

^{14/} Forty-two channels is the minimum block required to implement a frequency reuse configuration. Therefore, as AMTA suggests, in markets having less than 42 unassigned channels, it makes sense to let existing licensees apply for block licensing on their authorized channels and leave the unassigned channels available for expansion. Where more than 42 channels are unassigned in the market, AMTA proposes that the Commission create up to two additional license blocks thereby promoting competition and stimulating introduction of advanced services, as discussed below.

^{15/} Fleet Call presumes that AMTA intends block licensing eligibility only for frequencies both constructed and operational in accordance with Sections 90.631(f) and 90.633(d) of the Commission's Rules.

these frequencies at any location consistent with 40/22 dBu short spacing interference protection to existing co-channel licensees as specified in the Table in Section 90.621(b) of the Commission's Rules. It would only have to notify the Commission, rather than request formal licensing, when placing individual frequencies in operation at additional locations within the MSA/RSA area.16/
Each applicant for a block license would have to propose an "integrated wide-area SMR system using an advanced technology capable of providing at least twice the channel capacity of current analog equipment, exclusive of frequency reuse."17/

AMTA proposes that the Commission grant block licenses in descending order from applicants with the largest number of discrete channels to the fewest. Thus, greater efficiencies could be achieved by permitting the largest system to emerge. 18/Channels assigned to a higher ranked applicants would be "deleted"

^{16/} This is essentially what Fleet Call proposed in its original application for authorization of its ESMR systems. Fleet Call suggested that it be able to construct new stations within a specified service area upon notice to the Commission and without requiring individual licensing for each station. This would permit dynamic refining and modifying of the wide area frequency reuse plan, as well as expansion within the service area, without the delays and cost (and administrative burden on the Commission) of prior approval of each new site. See In Re Request of Fleet Call, Inc. for Waiver and Other Relief to Permit Creation of Enhanced Specialized Mobile Radio Systems in Six Markets, filed April 5, 1990 at pp. 12-13.

^{17/} Petition at p. 6.

^{18/} The Petition specifically contemplates one or more existing licensees in an MSA or RSA creating a unified entity to obtain a block license for their consolidated frequencies. Fleet Call believes that this structure creates positive incentives for bringing advanced services to the greatest numbers of users with minimal regulatory delay.

from the applications of subsequent applicants and the rank order adjusted accordingly as necessary.

Fleet Call supports this approach. MSA/RSA-based licensing offers a familiar and useful referent and will promote both diversity and participation by a large number of willing SMR operators. Although the Commission could develop alternative market definitions, such as those proposed in the PCS NPRM,19/MSAs/RSAs offer viable communications markets while maintaining desirable competition.20/ Fleet Call emphasizes that an MSA/RSA block SMR licensing structure must permit consolidations and or combinations by block licensees to develop wider area systems in response to economic, commercial and marketing realities. The rules must also facilitate expansion by individual block licensees.

Fleet Call agrees that AMTA's proposal will provide incentives for both large and small SMR operators to participate in block licenses. This will benefit the public by assuring more rapid availability of higher quality, higher capacity enhanced services. It will also enable existing licensees to obtain the larger channel blocks necessary to justify investing in advanced digital SMR systems and to develop efficient system configurations.

Fleet Call disagrees, however, with AMTA's proposal that block licensees be permitted to implement an advanced technology only two times more efficient than state-of-the-art analog systems. First,

^{19/} PCS NPRM at para. 60.

^{20/} A plurality of commenters in the PCS NPRM support licensing PCS operators by MSA/RSA markets.

it is already clear that six times more efficient than analog digital technology is available. Second, commitment to a six times analog efficiency gain is a reasonable requirement in return for granting a licensee an exclusive block license throughout an entire MSA or RSA. This assures that prospective block licensees will use their spectrum efficiently. AMTA's proposal to allow far less efficient block licensing would undercut the very public interest benefits it is intended to achieve.

C. <u>Block Licensing in MSA/RSA Areas With More than 42</u> <u>Unassigned Frequencies</u>

In markets with more than 42 SMR unassigned frequencies, AMTA proposes that the Commission create no more than two 42-channel new block licenses. Existing licensees and groups of licensees could still obtain a block license for their constructed frequencies in descending order of market presence, as described above. AMTA proposes that the new block licensees be selected by lottery and proposes high application fees, construction benchmarks and transferability restrictions to limit speculation and warehousing. Existing licensees would also be permitted to apply for the new block licenses.21/

Fleet Call supports creation of additional 42 channel blocks in markets with large numbers of unused SMR frequencies. Fleet Call strongly urges that licensees for these blocks be selected using competitive bidding procedures rather than lotteries. The Commission's experience with spectrum lotteries conclusively

^{21/} Petition at p. 10.

demonstrates that speculation and abuse cannot be prevented when the Commission "gives away" valuable spectrum rights.22/

Competitive bidding, on the other hand, would virtually eliminate speculation and make the proposed anti-speculation application fees and other restrictions unnecessary. would generate revenues for the United States Treasury and compensate the American public for the use of its valuable spectrum Moreover, auctions would accelerate the pace of resources. innovation by assuring that productive innovators have access to the spectrum they need -- thus further advancing the objectives of AMTA's Petition.23/ The public interest compels the use of auctions for the proposed SMR block licenses to incent successful applicants to make the best use of this spectrum. Fleet Call believes that Congressional authorization of competitive bidding can be obtained and that the Commission should move expeditiously to obtain such authority as it proceeds in this rule making. 24/

^{22/} For a discussion of failed efforts to reform the lottery selection process, see Fleet Call's Reply Comments on its Innovator Block Petition, RM - 7985, filed August 3, 1992 at pp. 16-19.

^{23/} See e.g., the Innovator Block Petition at p. 2.

^{24/} Using auctions for the proposed block licenses is consistent with the draft auction test program proposed by the staffs of Senator Inouye and Senator Stevens. <u>See</u> Staff Draft of the Spectrum Competitive Bidding Amendment to S. 218, "The Emerging Telecommunications Technologies Act of 1991."

IV. SUMMARY

Fleet Call supports AMTA's Petition to establish block licensing procedures for technically advanced wide-area SMR systems. As the originator of such SMR configurations, Fleet Call commends AMTA for proposing a regulatory framework that would facilitate the ability of licensees of constructed and operational SMR systems to implement advanced wide-area private land mobile communications systems. Marketplace demand for digital wide-area SMR services is increasing. AMTA's proposal should be part of a comprehensive proposal to create a regulatory structure that best incents the development of responsive SMR services. 25/

Respectfully submitted,

FLEET CALL, INC.

Robert S. Foosaner, Esq. Lawrence R. Krevor, Esq.

601 13th Street, N.W. Suite 1110 South Washington, D.C. 20005 (202) 628-8111

Dated: December 21, 1992

^{25/} This proceeding should also establish extended implementation periods for wide area SMR systems (currently being considered in RM - 7974) and any other rules and policies that require revision to further their development.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments of Fleet Call, Inc. has been mailed by United States first class mail, postage prepaid, this 21st day of December, 1992, to the following:

Mr. Ralph A. Haller*
Chief, Private Radio Bureau
Federal Communications Commission
2025 M Street, N.W., Room 5002
Washington, D.C. 20554

Ms. Beverly G. Baker*
Deputy Chief
Private Radio Bureau
Federal Communications Commission
2025 M Street, N.W., Room 5002
Washington, D.C. 20554

Mr. Richard J. Shiben*
Chief, Land Mobile and Microwave Division
Private Radio Bureau
Federal Communications Commission
2025 M Street, N.W., Room 5202
Washington, D.C. 20554

Mr. Kent Y. Nakamura*
Legal Assistant
Private Radio Bureau
Federal Communications Commission
2025 M Street, N.W., Room 5002
Washington, D.C. 20554

Mr. Alan R. Shark
President
American Mobile Telecommunications
 Association
1835 K Street, N.W., Suite 203
Washington, D.C. 20006

Elizabeth R. Sachs, Esq. Lukas, McGowan, Nace & Gutierrez 1819 H Street, N.W., Suite 700 Washington, D.C. 20006

Gary L. Smith